



MEMORANDUM

To: PLANNING COMMISSION

Date: May 22, 2007

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: EXCEPTION TO LOSS OF BUILDING ALLOTMENT AWARDED TO
APPLICATION MC-05-12: DEPOT - GRANARY**

REQUEST

A request for an exception to loss of building allocation and extension of time on a building allotment awarded under the Downtown Small Vertical Mixed Use RDCS competition for fiscal years 2006-07 and 2007-08.

RECOMMENDATION

Environmental Assessment: N/A

Application MC-05-12: Adopt Resolution recommending City Council approval of extensions of time to fiscal year 2009-10.

Processing Deadline: November 27, 2007

BACKGROUND

In March 2006, the applicant, Granary, LLC, was awarded a 12 dwelling unit building allotment in the Residential Development Control System (RDCS) Downtown Competition under the Small Vertical Mixed Use category. The project was awarded 6 building allocations for fiscal year 2006-07 and 6 building allocations for fiscal year 2007-08. In November 2006, the voters approved Measure F. Measure F established a separate set-aside of 100 units to be allocated to projects in the Downtown Core area bounded by Main Avenue to the north, the railroad tracks to the east, Dunne Avenue to the south and Del Monte Avenue to the west. Measure F also allowed this project and other projects that competed in the March 2006 Downtown RDCS competition to advance the timing their fiscal year building allotments so that projects can be completed sooner. However, Measure F did not eliminate the deadline to commence construction under a project's fiscal year building allotment. For the Granary LLC, the project must commence construction of

the first year building allotment by June 30, 2007 and commence construction of the remaining units by June 30, 2008.

CASE ANALYSIS

The procedures recommended by the Planning Commission and adopted by the City Council to implement Measure F, included provisions that will allow a Downtown Area RDCS project awarded a building allotment in the March 2006 competition, to receive a supplemental allotment from the Measure F 100-unit set-aside. To receive a supplemental allotment, the project must be located in the Downtown Core area described above, and the project at the higher density must score the same or higher compared to the project in the March 2006 competition. The Downtown Plan update that is currently underway is proposing to increase the allowable densities through out the downtown from 8 to 18 dwelling units to the acre to up to 40 to 50 dwelling units to the acre. The higher density would apply to the Granary property. Currently higher densities at a maximum of 40 dwelling units to the acre are limited to "opportunity sites" such as the Sunsweet Property on East Third Street. The Downtown Plan update is expected to be completed this time next year or possibly in the Fall of 2008 depending on whether the update requires an EIR.

The applicant for the Granary development would like to increase the number of dwellings in the project from 12 to 15 units. This will be possible when higher residential densities are adopted for the entire Downtown. To provide sufficient lead time to design a revised project with more units, the applicant is requesting a three year extension of time for the project's current fiscal year 6-unit building allotment and a two-year extension on the 6-unit fiscal year 2007-08 allotment. The request would extend the project's building allotment to fiscal year 2009-10. The extensions will allow time for the applicant to revise the project and receive a Measure F allotment following completion of the Downtown Plan Update. Staff recommends approving the one year extension of time to allow the applicant an opportunity to increase the residential density of this project, consistent with the proposed Downtown Plan update.

Attachments:

1. Resolution recommending extensions of time.
2. Letter dated April 24, 2007

RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING AN EXCEPTION TO LOSS OF BUILDING ALLOCATION AND APPROVAL OF A TWO-YEAR AND THREE-YEAR EXTENSION OF TIME ON THE RESIDENTIAL BUILDING ALLOTMENT FOR APPLICATION MP-05-12: DEPOT – GRANARY (APN 726-14-060)

WHEREAS, the Planning Commission pursuant to Chapter 18.78.125 of the Morgan Hill Municipal Code, awarded a building allotment for twelve dwelling units for application MC-05-12: Depot – Granary for Fiscal Year 2006-2007 (6 units) and Fiscal Year 2007-08 (6 units); and

WHEREAS, under Section 18.78.125.G of the Municipal Code, the City Council may grant an Exception to Loss of Building Allocation if it finds that the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140, or extended delays in environmental reviews, permit delays not the result of developer inaction, or allocation appeals processing; and

WHEREAS, a two and three year extension of time is currently requested to allow the project to receive a supplemental building allotment to increase the project density and the delay is due to expected time needed to complete the Downtown Plan Update and the environmental review and the follow-up Zoning Amendment required to allow the increased density; and

WHEREAS, such request was considered by the Planning Commission at their regular meeting of May 22, 2007, at which time the Planning Commission recommended approval of a three year extension of time on the 6 units allocated for fiscal year 2006-07 and a two year extension of time for the 6 unit building allocated for fiscal year 2007-08 awarded to MP-05-12: Depot – Granary; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES
RESOLVE AS FOLLOWS:**

SECTION 1. Based on the findings required in Section 18.78.125 of the Municipal Code, the Planning Commission recommends a three-year extension of time on the fiscal year 2006-07 residential building allotment, and a two-year extension of time on the fiscal year 2007-08 allotment, extending the time for commencement of construction of the twelve Downtown Measure C allocations to June 30, 2010.

RESOLUTION NO.
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**PASSED AND ADOPTED THIS 22nd DAY OF MAY, 2007, AT A REGULAR MEETING
OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:**

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

**FRANCES O. SMITH, Deputy City Clerk
Office Assistant II**

ROBERT J. BENICH, Chair

THE GRANARY, LLC

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April 24, 2007

PLANNING DEPT

APR 25 2007

City of Morgan Hill – Planning Department
17555 Peak Avenue
Morgan Hill, CA 95037

CITY OF MORGAN HILL

Re: Depot @ Main Mixed Use Building file # MC-0512

To Whom It May Concern:

The Granary LLC would like to request an exception due to loss of building allotment. The extension would allow the time necessary in order to complete the downtown updates. The update will increase the densities, allowing us to increase the units from 12 to 15.

Sincerely,



Lesley Miles, A.I.A.